

SEYLAN BANK PLC

MARKET DICIPLINE -
MINIMUM DISCLOSURE REQUIREMENTS
UNDER PILLAR III
as per Direction 01. of 2016

As at 30.06.2024

Template 1
Key Regulatory Ratios - Capital and Liquidity

Item	Minimum Requirement	Reporting Period 30.06.2024	Previous Reporting Period 31.12.2023
Regulatory Capital (LKR'000)			
Common Equity Tier 1 Capital		54,770,258	55,447,660
Tier 1 Capital		54,770,258	55,447,660
Total Capital		67,817,427	70,147,267
Regulatory Capital Ratios (%)			
Common Equity Tier 1 Capital Ratio	7.00%	12.40%	12.52%
Tier 1 Capital Ratio	8.50%	12.40%	12.52%
Total Capital Ratio	12.50%	15.35%	15.84%
Leverage Ratio	3.00%	7.15%	7.30%
Net Stable Funding Ratio	100.00%	135.39%	129.67%
Regulatory Liquidity			
Statutory Liquid Assets*			
Statutory Liquid Assets Overall (LKR 000)			235,624,142
Domestic Banking Unit (LKR 000)			233,637,929
Off-Shore Banking Unit (USD 000)			23,584
Statutory Liquid Assets Ratio*			
Statutory Liquid Assets Overall	20.00%		38.04%
Domestic Banking Unit	20.00%		38.51%
Off-Shore Banking Unit	20.00%		23.28%
Liquidity Coverage Ratio			
Liquidity Coverage Ratio - Rupee	100.00%	472.95%	355.16%
Liquidity Coverage Ratio - All Currency	100.00%	412.63%	338.42%

* Discontinued as per Banking Act Determination No 01 of 2024

Template 2
Basel III Computation of Capital Ratios

Item	Amount (LKR'000)	
	Reporting Period 30.06.2024	Previous Reporting Period 31.12.2023
Common Equity Tier I (CET1) Capital after Adjustments	54,770,258	55,447,660
Common Equity Tier I (CET1) Capital	58,485,431	59,239,357
Equity capital (Stated Capital)/Assigned Capital	21,693,370	20,908,673
Reserve fund	2,880,973	2,880,973
Published Retained Earnings/(Accumulated Retained Losses)	32,823,298	34,361,921
Published Accumulated Other Comprehensive Income (OCI)	387,215	387,215
General and Other Disclosed Reserves	700,575	700,575
Unpublished Current Year's Profit/Loss and Gains reflected in OCI	-	-
Ordinary Shares issued by Consolidated Banking and Financial Subsidiaries of the Bank and held by Third Parties	-	-
Total Adjustments to CET1 Capital	3,715,173	3,791,697
Goodwill (net)		
Intangible Assets (net)	499,256	536,989
Others	3,215,917	3,254,708
Additional Tier 1 (AT1) Capital after Adjustments		
Total Additional Tier 1 (AT1) Capital		
Qualifying Additional Tier 1 Capital Instruments		
Instruments issued by Consolidated Banking and Financial Subsidiaries of the Bank and held by Third Parties		
Total Adjustments to AT1 Capital		
Investment in Own Shares		
Others (Specify)		
Tier 2 Capital after Adjustments	13,047,169	14,699,607
Total Tier 2 Capital	13,047,169	14,699,607
Qualifying Tier 2 Capital Instruments	7,414,000	8,996,400
Revaluation gains	698,403	698,403
Loan Loss Provisions (General Provision)	4,934,766	5,004,804
Instruments issued by Consolidated Banking and Financial Subsidiaries of the Bank and held by Third Parties		
Total Adjustments to Tier 2	-	-
Investment in own shares		
Others (Specify)	-	-
Total Tier 1 Capital	54,770,258	55,447,660
Total Capital	67,817,427	70,147,267
Total Risk Weighted Assets (RWA)	441,848,854	442,785,741
RWAs for Credit Risk	394,781,287	400,384,298
RWAs for Market Risk	5,336,458	4,033,608
RWAs for Operational Risk	41,731,109	38,367,835
CET1 Capital Ratio (including Capital Conservation Buffer, Counter cyclical Capital Buffer & Surcharge on D-SIBs) (%)	12.40%	12.52%
of which: Capital Conservation Buffer (%)	2.500%	2.500%
of which: Counter cyclical Buffer (%)		
of which: Capital Surcharge on D-SIBs (%)		
Total Tier 1 Capital Ratio (%)	12.40%	12.52%
Total Capital Ratio (including Capital Conservation Buffer, Counter cyclical Capital Buffer & Surcharge on D-SIBs) (%)	15.35%	15.84%
of which: Capital Conservation Buffer (%)	2.50%	2.50%
of which: Counter cyclical Buffer (%)		
of which: Capital Surcharge on D-SIBs (%)		

Template 3
Computation of Leverage Ratio

Item	Amount (LKR'000)	
	Reporting Period 30.06.2024	Previous Reporting Period 31.12.2023
Tier 1 Capital	54,770,258	55,447,660
Total Exposures	765,651,425	759,275,565
On-Balance Sheet Items (excluding Derivatives and Securities Financing Transactions, but including Collateral)	729,436,116	721,389,372
Derivative Exposures	106,339	437,246
Securities Financing Transaction Exposures	278,825	817,150
Other Off-Balance Sheet Exposures	35,830,144	36,631,796
Basel III Leverage Ratio (%) (Tier 1/Total Exposure)	7.15%	7.30%

Template 4
Basel III Computation of Liquidity Coverage Ratio

Item	Amount (LKR'000)					
	Reporting Period - 30.06.2024			Previous Reporting Period - 31.12.2023		
	Total Un-weighted Value	Factor (%)	Total Weighted Value	Total Un-weighted Value	Factor (%)	Total Weighted Value
Total Stock of High-Quality Liquid Assets (HQLA)			195,541,935			174,012,142
Total Adjusted Level 1A Assets	181,754,603	100%	181,754,603	161,568,029	100%	161,568,029
Total Adjusted Level 2A Assets	16,262,085	85%	13,822,772	14,329,118	85%	12,179,750
Total Adjusted Level 2B Assets	201,895	50%	100,947	168,362	50%	84,181
Total Cash Outflows			127,406,394			124,505,114
Deposits	453,584,370	10%	45,358,437	438,412,337	10%	43,841,234
Unsecured Wholesale Funding	132,795,030	25% -100%	65,228,246	132,933,478	25% -100%	62,661,680
Secured Funding Transactions			-			-
Undrawn Portion of Committed (Irrevocable) Facilities and Other Contingent Funding Obligations	166,277,780	0% -100%	8,932,252	160,329,986	0% -100%	9,885,507
Additional Requirements	7,887,459	100%	7,887,459	8,116,694	100%	8,116,694
Total Cash Inflows			80,017,202			73,086,374
Maturing Secured Lending Transactions Backed by Collateral			-			-
Committed Facilities	-		-	-		-
Other Inflows by Counterparty which are Maturing within 30 Days	130,336,553	50%-100%	79,116,349	112,842,328	50%-100%	72,109,665
Operational Deposits	27,039,110	0%	-	36,032,439	0%	-
Other Cash Inflows	1,801,547	50% -100%	900,853	1,879,815	50% -100%	976,709
Liquidity Coverage Ratio (%) (Stock of High Quality Liquid Assets/Total Net Cash Outflows over the Next 30 Calendar Days)*100			412.63			338.42

Template 5
Main Features of Regulatory Capital Instruments

Description of the Capital Instrument	Ordinary Voting Shares	Ordinary Non- Voting Shares	Debenture Issue - 2018 (7 years & 10 years)	Debenture Issue - 2021 (5 years)	Debenture Issue - 2023 (5 years)
Issuer	Seylan Bank PLC	Seylan Bank PLC	Seylan Bank PLC	Seylan Bank PLC	Seylan Bank PLC
Unique Identifier (e., ISIN or Bloombers Identifier for Private Placement)	LK0182N00002	LK0182X00001	LK0182D23963 LK0182D23971	LK0182D24722 LK0182D24730	LK0182D25133 LK0182D25125
Governing Law (s) of the Instrument	Provisions of the Banking Act, Rules of the Colombo Stock Exchange and the Securities and Exchange Commission of Sri Lanka, Provisions of the Companies Act No. 7 of 2007 and the Articles of Association of the Bank	Provisions of the Banking Act, Rules of the Colombo Stock Exchange and the Securities and Exchange Commission of Sri Lanka, Provisions of the Companies Act No. 7 of 2007 and the Articles of Association of the Bank	Rules of the Colombo Stock Exchange and the Securities and Exchange Commission of Sri Lanka, Provisions of the Companies Act No. 7 of 2007, the Articles of Association of the Bank, Prospectus of the Debenture Issue and the Trust Deed	Rules of the Colombo Stock Exchange and the Securities and Exchange Commission of Sri Lanka, Provisions of the Companies Act No. 7 of 2007, the Articles of Association of the Bank, Prospectus of the Debenture Issue and the Trust Deed	Rules of the Colombo Stock Exchange and the Securities and Exchange Commission of Sri Lanka, Provisions of the Companies Act No. 7 of 2007, the Articles of Association of the Bank, Prospectus of the Debenture Issue and the Trust Deed
Original Date of Issuance	April 1988	September 2003	29th March 2018	12th April 2021	02nd May 2023
Par Value of Instrument	N/A	N/A	LKR 100/- each	LKR 100/- each	LKR 100/- each
Perpetual or Dated	N/A	N/A	dated	dated	dated
Original Maturity Date, if Applicable	N/A	N/A	29th March 2025 and 29th March 2028	12th April 2026	01st May 2028
Amount Recognized in Regulatory Capital (in '000 as at the Reporting Date)	12,794,664	8,114,009	1,314,000	2,100,000	4,000,000
Accounting Classification (Equity /Liability)	Equity	Equity	Liability	Liability	Liability
Issuer call subject to prior Supervisory Approval					
Optional Call Date, Contingent Call Dates and Redemption Amount (LKR '000)	N/A	N/A	N/A	N/A	N/A
Subsequent Call Dates, if Applicable	N/A	N/A	N/A	N/A	N/A
Coupons/Dividends					
Fixed or Floating Dividend /Coupon	Dividend as decided by the Board annually	Dividend as decided by the Board annually	Fixed interest rate	Fixed interest rate	Fixed interest rate
Coupon Rate and any Related Index	As decided by the Board	As decided by the Board	Semi-Annual Interest - 13.20% (for 7 years), Semi-Annual Interest - 13.50% p.a. (for 10 years)	Annual Interest - 9.75% p.a., Quarterly Interest - 9.25% p.a.	Annual Interest - 28.00% p.a., Quarterly Interest - 25.00% p.a.
Non-Cumulative or Cumulative	Non-cumulative	Non-cumulative	Non-cumulative	Non-cumulative	Non-cumulative
Convertible or Non-Convertible	Non-Convertible	Non-Convertible	Convertible	Convertible	Convertible
If Convertible, Conversion Trigger (s)			Convertible in the event of a "Trigger Event" in terms of the Banking Act Direction No.1 of 2016	Convertible in the event of a "Trigger Event" in terms of the Banking Act Direction No.1 of 2016	Convertible in the event of a "Trigger Event" in terms of the Banking Act Direction No.1 of 2016
If Convertible, Fully or Partially			when determined a "Trigger Event" at the sole discretion of the Monetary Board of the Central Bank of Sri Lanka	when determined a "Trigger Event" at the sole discretion of the Monetary Board of the Central Bank of Sri Lanka	when determined a "Trigger Event" at the sole discretion of the Monetary Board of the Central Bank of Sri Lanka
If Convertible, Mandatory or Optional			Mandatory in the event of a 'Trigger Event'	Mandatory in the event of a 'Trigger Event'	Mandatory in the event of a 'Trigger Event'
If Convertible, Conversion Rate			Simple average of the daily Volume Weighted Average Price of an Ordinary Voting Share of the Bank (as published by the Colombo Stock Exchange) during the three (03) months period immediately preceding the Trigger Event, as determined by the Monetary Board.	Simple average of the daily Volume Weighted Average Price of an Ordinary Voting Share of the Bank (as published by the Colombo Stock Exchange) during the three (03) months period immediately preceding the Trigger Event, as determined by the Monetary Board.	Simple average of the daily Volume Weighted Average Price of an Ordinary Voting Share of the Bank (as published by the Colombo Stock Exchange) during the three (03) months period immediately preceding the Trigger Event, as determined by the Monetary Board.

Template 7
Credit Risk under Standardized Approach -
Credit Risk Exposures and Credit Risk Mitigation (CRM) Effects

Description	Amount (LKR'000) as at 30th June2024						
	Exposures before Credit Conversion Factor (CCF) and CRM		Exposures post CCF and CRM			RWA and RWA Density (%)	
	On-Balance Sheet Amount	Off-Balance Sheet Amount	On-Balance Sheet Amount	Off-Balance Sheet Amount	Total	RWA	RWA Density (ii)
Claims on Central Government and CBSL	190,095,041	-	190,095,041	-	190,095,041	1,107,620	0.58%
Claims on Foreign Sovereigns and their Central Banks	9,084,206	-	9,084,206	-	9,084,206	-	0.00%
Claims on Public Sector Entities	2,948,288	-	2,948,288	-	2,948,288	2,948,288	100.00%
Claims on Official Entities and Multilateral Development Banks	-	-	-	-	-	-	-
Claims on Banks Exposures	53,139,961	-	53,139,961	-	53,139,961	19,348,184	36.41%
Claims on Financial Institutions	14,943,711	3,775,000	14,943,711	755,000	15,698,711	7,908,768	50.38%
Claims on Corporates	225,167,371	154,973,699	215,351,488	32,603,351	247,954,839	234,560,626	94.60%
Retail Claims	160,302,064	5,643,075	127,919,316	2,471,793	130,391,110	73,963,857	56.72%
Claims Secured by Residential Property	17,207,243	-	17,207,243	-	17,207,243	7,488,649	43.52%
Claims Secured by Commercial Real Estate	-	-	-	-	-	-	0.00%
Non-Performing Assets (NPAs) (i)	20,546,471	-	20,546,471	-	20,546,471	21,914,166	106.66%
Higher-Risk Categories	-	-	-	-	-	-	-
Cash Items and Other Assets	36,001,760	-	36,001,760	-	36,001,760	25,541,130	70.94%
Total	729,436,116	164,391,774	687,237,486	35,830,144	723,067,630	394,781,287	54.60%

Template 8
Credit Risk under Standardized Approach: Exposures by Asset Classes and Risk Weights

Description	Amount (LKR'000) as at 30th June 2024 (Post CCF& CRM)										Total Credit Exposures Amount
	Risk Weight	0%	20%	35%	50%	60%	75%	100%	150%	>150%	
Asset Classes											
Claims on Central Government and CBSL		184,556,943	5,538,098								190,095,041
Claims on Foreign Sovereigns and their Central Banks		9,084,206									9,084,206
Claims on Public Sector Entities								2,948,288	-		2,948,288
Claims on Official Entities and Multilateral Development Banks											-
Claims on Banks Exposures			29,510,742		20,381,102			3,233,382	14,735		53,139,961
Claims on Financial Institutions			-		15,579,886			118,825	-		15,698,711
Claims on Corporates			8,107,302		13,874,705			225,914,871	57,962.00		247,954,840
Retail Claims						10,266,954	84,741,514	3,144,917			98,153,385
Claims Secured by Gold		26,724,566	5,513,158					-			32,237,724
Claims Secured by Residential Property				14,951,684				2,255,559			17,207,243
Claims Secured by Commercial Real Estate								-			-
Non-Performing Assets (NPAs) (i)					469,232			16,872,616	3,204,623		20,546,471
Higher-Risk Categories											-
Cash Items and Other Assets		10,460,630	-					25,541,130			36,001,760
Total		230,826,345	48,669,300	14,951,684	50,304,925	10,266,954	84,741,514	280,029,588	3,277,320.00	-	723,067,630

Template 9
Market Risk under Standardized Measurement Method

Item	RWA Amount (LKR'000) as at 30th June 2024
(a) Capital Charger Interest Rate Risk	302,924
General Interest Rate Risk	302,924
(i) Net Long or Short Position	302,924
(ii) Horizontal Disallowance	
(iii) Vertical Disallowance	
(iv) Options	
Specific Interest Rate Risk	
(b) Capital Charge for Equity	353,891
(i) General Equity Risk	179,472
(ii) Specific Equity Risk	174,419
(c) Capital Charge for Foreign Exchange & Gold	10,243
Total Risk Weighted Assets on Market Risk	5,336,458
[(a)+(b)+(c)]*CAR	

Template 10

Operational Risk Under Basic Indicator Approach/The Standardized Approach/The Alternative Standardized Approach

Business Lines	Capital Charge Factor	Fixed Factor	Lending Portfolio (LKR'000)	Gross Income (LKR'000) as at 30th June 2024		
				1st Year	2nd Year	3rd Year
The Alternative Standardized Approach						
Trading and Sales	18%			2,836,293	2,566,037	6,851,885
Payment and Settlement	18%			7,723,874	7,301,686	9,981,782
Retail Banking	12%	0.035	247,777,619			
Commercial Banking	15%	0.035	369,529,396			
Capital Charges for Operational Risk (LKR'000)						
The Alternative Standardized Approach	5,216,389					
Risk-Weighted Amount for operational Risk (LKR'000)						
The Alternative Standardized Approach	41,731,109					

Template 11

Differences between Accounting and Regulatory Scopes and Mapping of Financial Statement Categories with Regulatory Risk Categories - Bank Only

Item	Amount (LKR'000) as at 30th June 2024				
	a	b	c	d	e
	Carrying Values as Reported in Published Financial Statements	Carrying Values under Scope of Regulatory Reporting	Subject to Credit Risk Framework	Subject to Market Risk Framework	Not subject to Capital Requirements or Subject to Deduction from Capital
Assets	725,215,571	725,215,571	729,436,117	24,660,248	6,550,322
Cash and Cash Equivalents	37,509,991	37,518,361	37,518,361		
Balances with Central Bank	4,741,912	4,741,912	4,741,912		
Placements with Banks	32,670,273	32,661,903	32,661,903		
Derivative Financial Instruments	3,133	3,133	3,133		
Other Financial Assets Held-For-Trading	23,424,288	23,424,288	23,424,288	23,424,288	
Securities Purchased under Resale Agreements	278,825	278,827	278,827		
Loans and Receivables to Banks	-	1,148,024	1,148,024		
Loans and Receivables to Other Customers *	434,412,921	433,264,885	441,117,703		2,918,051
Financial Investments - Available-For-Sale	46,774,755	46,774,755	46,774,755	1,235,960	
Financial Investments - Held-To-Maturity	118,792,017	118,792,015	118,792,015		
Investments in Subsidiaries	1,153,602	1,153,602	1,153,602		
Investments in Associates and Joint Ventures	-	-	-		
Property, Plant and Equipment	3,913,154	3,913,154	3,913,154		
Investment Properties	-	-	-		
Goodwill and Intangible Assets	499,256	499,256			499,256
Deferred Tax Assets	3,133,015	3,133,015			3,133,015
Other Assets	17,908,429	17,908,441	17,908,441		
Liabilities	660,777,254	660,777,254	-	-	-
Due to Banks	11,193,391	11,193,391			
Derivative Financial Instruments	24,742	24,742			
Other Financial Assets Held-For-Trading	-	-			
Financial Liabilities Designated at Fair Value Through Profit or Loss	-	-			
Due to Other Customers	603,245,536	603,245,536			
Other Borrowings	20,617	20,617			
Debt Securities Issued	5,530,240	5,530,240			
Current Tax Liabilities	3,296,911	3,296,911			
Deferred Tax Liabilities	-	-			
Other Provisions	-	-			
Other Liabilities	23,602,014	23,602,014			
Due to Subsidiaries	107,573	107,573			
Subordinated Term Debts	13,756,230	13,756,230			
Off-Balance Sheet Liabilities	177,724,155	177,724,155	-	-	-
Guarantees	56,681,847	56,681,847			
Performance Bonds					
Letters of Credit	9,403,143	9,403,143			
Foreign Exchange Contracts	6,466,372	6,466,372			
Other Contingent Items	12,857,866	12,857,866			
Undrawn Loan Commitments	91,647,991	91,647,991			
Other Commitments	666,936	666,936			
Shareholders' Equity					
Equity Capital (Stated Capital)/Assigned Capital					
of which Amount Eligible for CET1	21,693,370	21,693,370			
of which Amount Eligible for AT1					
Retained Earnings	37,868,745	37,868,745			
Accumulated Other Comprehensive Income	(79,565)	(79,565)			
Other Reserves	4,955,767	4,955,767			
Total Shareholders' Equity	64,438,317	64,438,317	-	-	-

* Loans and Receivables to Other Customers in subject to Credit Risk Framework (C) is reported as the gross of Stage 1 and 2 ECL Provision (LKR 7.9 Bn) and of which LKR 2.9 Bn excluded from Tier II Capital.

Template 12 - Explanations

Column a. presents the assets , liabilities and equity on standalone SLFRS basis. Pillar III disclosures as at 30th June presented in accordance with regulatory capital concepts and rules.

a. Explanations of Differences between accounting and regulatory exposure amounts.

Total assets shown in column a and b in Template 11	
Total assets as per carrying values reported in published Financial Statements (column a)	725,215,571
Total assets as per carrying values reported under scope of regulatory reporting (column b)	725,215,571
Difference	(0)

Financial Assets-Instrument Type	Valuation Technique	Inputs used for valuation
Treasury Bills	Price Formula	Based on market yield published by CBSL
Treasury Bonds	Price Formula	Based on market yield published by CBSL
Srilanka Development Bonds	Price Formula	Similar instrument's rate (LIBOR)
Quoted Equities	Closing share price	Closing share price (CSE)
Unquoted Equities	Net assets per share	Net assets per share as per latest Audited Financial Statements
Debentures	Price Formula	Similar instrument's yield (Treasury bond yield)